



# CITY OF HOUSTON

Finance and Administration  
Department

## Interoffice

Correspondence

**To:** Mayor Bill White  
Members of City Council

**From:** Judy Gray Johnson, Director  
Finance and Administration

**Date:** June 27, 2006

**Subject: MAY MONTHLY FINANCIAL AND  
OPERATIONS REPORT**

Attached is the Monthly Financial and Operations Report for the period ending May 31, 2006.

### **General Fund Revenues**

Our projection for FY2006 General Fund revenues is \$5.4 million higher than last month.

- The projection for Sales Tax Revenue has been increased by \$2.5 million to reflect payments received through June for collections through April. The sales tax received in June 2006 is 22.9% higher than the sales tax received in June 2005.
- The projection for Industrial Assessments has been increased by \$420 thousand due to the collection of a sizeable delinquent account balance.
- The projection for Telephone Franchise Fee Revenue has been increased by \$1.3 million to reflect the actual 3<sup>rd</sup> quarter receipts.
- The projection for Interest Revenue has been increased by \$700 thousand primarily due to higher than projected cash balances.

### **General Fund Expenditures**

Our projection for FY2006 General Fund expenditures is approximately \$3.5 million higher than last month.

- The projection for the Fire Department has been increased by \$1.95 million to account for hurricane Katrina expenditures that have not yet been reimbursed by FEMA.
- The projection for the Health and Human Services Department has been decreased by \$1 million, due mainly to equipment orders that have been delayed and are not expected to be completed by the end of the fiscal year.

June 27, 2006

- The projection for the Police Department has been increased by \$1.8 million, primarily due to new overtime initiatives focusing on the southwest area of the City that began in June.
- The projection for Public Works and Engineering has been decreased by \$1.5 million due primarily to a decrease in the estimated expenditures for streetlight electricity.
- The projection for the Solid Waste Department has been increased by \$2.7 million to account for hurricane Rita expenditures that have not yet been reimbursed by FEMA.

### **General Fund Ending Fund Balance**

We are projecting an ending unreserved undesignated fund balance of approximately \$153 million, which is approximately 11.16% of estimated expenditures less debt service. This does not include the rainy day fund or sign abatement fund. The total unreserved fund balance is projected to be approximately \$175 million.

### **Aviation Operating Fund**

- The projection for Building and Ground Area revenues has been decreased by \$3.2 million as the expense estimates used to develop the actual rates and charges for fiscal year 2006 were lower than budgeted.
- The projection for Parking and Concession revenues has been increased by \$2.7 million due to higher than expected passenger traffic in fiscal year 2006.
- The projection for Other Operating revenue has been increased by \$826 thousand to include a reimbursement from the Transportation Security Administration for security costs of the Houston Airport System.
- The projection for Interest Revenue has been increased by \$328 thousand due to rising interest rates on pooled investments.

### **Convention & Entertainment Facilities Operating Fund**

- The projection for Personnel expense has been increased by \$300 thousand to reflect the current staffing levels. This projection was decreased in prior months, and is now approximately at the current budget amount.
- The projection for the Hotel Occupancy Tax revenue has been increased by \$4.1 million as a result of the increased average room rate as well as an increase in occupancy.
- The projection for Delinquent Hotel Occupancy Tax revenue has been increased by \$421 thousand due to higher than expected year-to-date collections.

June 27, 2006

**Katrina Aid & Recovery Fund**

Cost estimates through the end of June are \$258.3 million. Through the date of this letter, \$238.3 million has been approved by FEMA, leaving about \$20 million, which is expected to be approved by the end of June.

We continue to transition to the FEMA Individual Assistance program. Over 22,000 apartment units have been transferred to the individual assistance, effective June 1, 2006.

Please let me know if you have any questions.

A handwritten signature in cursive script, reading "Judy Gray Johnson".

Judy Gray Johnson, Director